



**Pre-Budget Submission  
to  
The House of Commons  
Standing Committee on Finance**

**From**

**The Manitoba Child Care Association**

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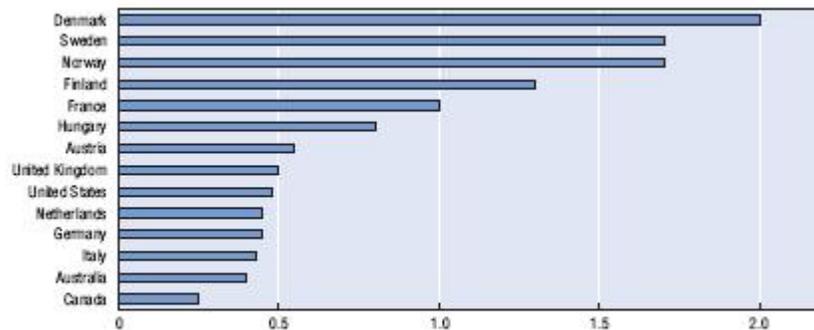
## Executive Summary

Canada's sagging birthrate combined with an aging population is a landmine that no responsible government should ignore. Business complains about labour shortages now and it's not likely to get any better as long as Canadian birthrates remain below that required for a country to support itself. (Canadian Policy Research Networks)

A key federal responsibility is designing a system that results in the collection of the revenues needed to fund its activities and ensures the prosperity and productivity of both residents and businesses. (House of Commons News Release, Ottawa, June 21, 2007) **Mothers and fathers that are employed provide provincial and federal tax dollars that governments use to fund their activities.** Parents with children under the age of 12 need to be able access affordable child care services in order to work. When high quality, regulated, early childhood development services are available, accessible, and affordable, benefits accrue to children, parents, communities, employers, and the economy.

Quality early learning and child care programs have been recognized by countries around the world as essential services to support the ongoing learning and healthy development of children and to ensure access to training and labour force attachment of parents. According to Starting Strong II, Organization for Economic Cooperation and Development (OECD), Canada ranks last among 14 industrialized countries in public spending on early learning and child care at 0.25% of GDP:

Figure 5.3. Public expenditure on ECEC services (0-6 years) in selected OECD countries (%)



Note: This figure is comprised of expenditure estimates, based on replies provided by country authorities to an OECD survey in 2004. The figures provided suggest that Denmark spends 2% of GDP on early childhood services for 0- to 6-year-olds, and Sweden 1.7%. These countries - and Finland - also allocate an additional 0.3% (approximately) to the pre-school class for children 6 to 7 years.

The Manitoba Child Care Association reminds the House of Commons Standing Committee on Finance that no action has been taken on your 2006 recommendation:

*.....the government, in conjunction with the provincial/territorial governments should fund a national, accessible, affordable, high quality, publicly regulated child care system. This system should respect any provincial/territorial child care programs already in effect, recognizing the leadership of the province of Quebec.*

The Manitoba Child Care Association provides the following recommendations for program spending in the upcoming budget to ensure our citizens are healthy, have the right skills for their own benefit and the benefit of their employer, to ensure our businesses are competitive, and that our nation has the resources to fund its activities:

- By 2020, federal funding for early learning and child care services should reach 1% of GDP, through scheduled increases in annual increments. Funds should be sustainable, increased annually, targeted to the development of high quality early learning and child care services.
- The Government of Canada must immediately begin to work in partnership with the provinces and territories to create a legislated, overarching early learning and child care agreement for a national child care system, including equitable funding for aboriginal child care services.
- The Government of Canada must identify terms, criteria, and conditions for federal funds to ensure provinces invest only in non-profit, regulated services that are inclusive, provide high quality care, early learning, and family support.
- Funds provided by the Government of Canada should be extended to include early learning and child care services for children up to age 12.
- The Government of Canada must tighten accountability requirements and require that every penny of child care funds be invested in early learning and child care programs by provinces/territories. Federal funds must be used promptly to supplement, not replace, provincial spending on early learning and child care.
- The Child Care Spaces Initiative must include real dollars to create real sustainable spaces that are regulated, inclusive, accessible, community based, and not for profit.
- Provincial governments must be required to refine internal mechanisms to ensure compliance, develop timetables and benchmarks, and provide regular outcomes reporting to the public.
- The Government of Canada must work with the provinces to promote family friendly workplaces.
- Income support programs, such as a Universal Child Care Benefit or a tax credit should not be confused with child care services and the federal government should not consider any of them a substitute for a national early learning and child care system.

## About MCCA

The Manitoba Child Care Association (MCCA) is a non-profit membership funded organization, incorporated in 1974. Our mission is to advocate for a quality system of child care, advance early childhood education as a profession, and provide services to our members. Our 3700 members include the boards of directors of full time child care centres, part time nursery schools, early childhood educators, child care assistants, licensed family child care providers, academics, researchers, and organizations.

## Canada's Children, Canada's Future

According to the Canadian Policy Research Networks *“within the next 50 years, the populations of the world's richest countries are expected to become smaller and older as result of low fertility and increased longevity. The fear is that without enough working age people to support the massive wave of retirees, the social safety net that we take for granted will collapse. Taxes will soar and living standards will decline”*.

“Children are the rock on which our future will be built – the leaders of our country for good or ill: which is why the rich potential in each child must be developed into the skills and knowledge that our society needs to enable it to prosper”. (Nelson Mandela)

A publicly funded, early learning and child care system can help alleviate this looming age-quake. When high quality child care services are available, accessible, and affordable, benefits accrue to children, parents, communities, employers, and the economy:

- healthy child development, inclusive of children with special needs
- developmental child care fosters school readiness
- provides school age children with a safe place to stay while parents are at work, thereby minimizing the risk of being lured into crime, drugs, etc.
- families receive support & guidance with parenting
- parents can contribute to the family income
- more income for the family, raises the standard of living, and strengthens the overall economy
- reduces family poverty
- parent(s) can enter and stay in the workforce
- enables every worker to reach their full potential
- employers can recruit and retain a skilled workforce
- fosters productive and economically stable communities
- parents are able to participate in job training
- helps balance work/family
- enables women to have a career and a family at the same time
- enables families to work the farm and have a family at the same time
- has helped boost fertility rates in countries that have a range of family policies that include child care: (Sweden, Denmark, Finland, France)

The quality of early child development will influence societal outcomes. Society's failure to act now could mean a failure to raise the quality of our population, weaken our future competitiveness in a globalized economy that centres on knowledge and technology.

“A good family policy, providing child care of good quality is a necessary basis for a fair and modern society. It gives parents a possibility to combine work and family life, it allocates resources so that all children are guaranteed a good school, childcare and health care. And it gives all of us the freedom to have children and family life.” (Closing remarks from the OECD Thematic Review of ECEC international conference, June 2001).

### **The Canadian Context:**

According to the Vanier Institute for Family, 2003, 83% of married couples with children have two or more earners and the percentage of female lone-parent families with at least one earner has soared to 82%.

Women with children are the fastest growing portion of the Canadian workforce. According to a Statistics Canada study called *The Feminization of Work* (2004), the presence of women in the Canadian labour force soared to 71% in 2001 from just over 44% 30 years earlier. The shortage of good, safe, affordable child care is the single greatest barrier these women face in getting education and training, and finding and keeping jobs to support their families. Wage-earning women make an important contribution to the economy. Their income goes towards the purchase of goods and services, and boosts consumer savings and tax payments.

There is increasing demand for skilled workers. Surveys by the Canadian Manufacturers' Association, the Canadian Federation of Independent Business and Statistics Canada point to an emerging pattern of skilled labour shortages. Given this trend, it makes good economic sense to invest in working people by removing barriers, such as the shortage of child care, to their participation in the workforce and training programs.

The availability of early learning and child care programs lags far behind families need. According to a report from the Child Care Resource and Research Unit, University of Toronto (2004) there is licensed or regulated early learning and child care spaces for approximately 15.5% of Canadian children 0-12 years.

Canadian families support better child care services. In June 2006, the Child Care Advocacy Association of Canada hired Environics to ask more than 2000 Canadians their views on child care. Over three quarters of Canadians (77%) believe that the lack of affordable child care is a very (34%) or somewhat (42%) serious problem. Solid majorities of Canadians think that funding to the provinces to create child care spaces will do a better job of “creating enough affordable child care spaces to meet the needs of Canadian parents” (62%); ensuring access to child care in all provinces and regions of the country. (60%), helping prepare children for school (55%) and ensuring access to child care for low income families”. (55%)

A 2002 national study of public attitudes showed that 90% of Canadians think we should have a nationally coordinated child care system and 89% agree that quality child care is essential to Canada's prosperity. (Canadian Child Care Federation and Child Care Advocacy Association of Canada)

## **Supporting Families and Children With Quality Regulated Early Learning and Child Care**

Children require care because their parent(s) is/are employed, seeking employment, in job training, under medical care, or attending counselling, parenting, or rehabilitation programs. Quality child care also provides a full range of early learning development opportunities for children and family support services for parents & guardians. While no family requires the full range of care, knowing that the appropriate service will be there when they need it means that all families and the economy will benefit.

“Canada shall, under a Progressive Conservative government, have an effective national system of child care” (Brian Mulroney, 1984)

### **Quality Early Learning and Child Care Does A Public Good**

An investment in licensed child care is an investment in a healthy economy and a productive society. It gives parents the opportunity to access the jobs and training they need to support their families, and helps children learn and develop. Over the long term, expanding child care services may in fact save the taxpayer money. A landmark study of the effects of high quality early care and education on low income three and four years olds shows that adults at age 40 who participated in a preschool program in their early years have higher earnings, are more likely to hold a job, have committed fewer crimes, and are more likely to have graduated from high school. The High/Scope Perry Preschool study documented a return to society of more than \$17 for every tax dollar invested in the early care and education program. ([www.highscope.org](http://www.highscope.org))

“As a society, we should be insisting through our politicians that the scarcity of parent time be compensated in part by universally available, affordable, developmentally appropriate child care” (The Canadian Institute on Child Health)

### **Quality Early Learning and Child Care Benefits Employers and Families**

Employer’s benefit when employees have good dependable child care. Employees are more productive on the job, and are less likely to be absent, late for work, leave early, or show other signs of stress caused by uncertain child care arrangements. Making child care more accessible to low-income working families costs less than maintaining them on welfare. For many two-parent families, the second income, made possible by the availability of child care, is the only thing that stands between them and poverty.

When parents can’t find or afford licensed child care, this may make the difference between dependence on welfare, and contributing to the Canadian economy. Child care is essential to help single parents, mainly women, to get the education and training they need to succeed in today’s workplace and support their families.

### **Quality Includes Early Learning Along with Child Care**

High quality child care fosters social, emotional, physical and intellectual growth. Research confirms that quality early childhood education encourages higher motivation and better performance upon entering school and less need for special education later. Positive experiences

in elementary school increase children's chances of completing high school, going on to post-secondary education, and gaining full employment as adults.

Everyone who cares for young children, including parents and child care providers contribute to the quality of the early year's education. The research on brain development makes it very clear that we can't afford not to care about who is taking care of and teaching our children in their earliest years.

"All children have the right to high quality care....Canada's child care system has unacceptable gaps due to problems with quality, availability, and affordability. The negative effects of poor quality child care and the positive effects of high quality child care gave an impact on children regardless of social class. Access to affordable, high quality child care and early childhood education services should be accessible to all, with parents paying fees on a sliding scale based on their ability to pay." (National Forum on Health, 1997)

### **Most Canadian Children Do Not Have Access to Quality Early Learning and Child Care**

In 2005, most of the more than 70% of children with both parents (or a single parent) in the paid labour force were presumed to be in child care that was not regulated. (Childcare Resource and Research Unit, 2004) A relative sometimes provides these arrangements, but it's more likely to be a friend, neighbour, or stranger recruited from the newspaper or community bulletin board than a doting grandmother or kindly aunt. Today's family is very different than in the past. Family members may live in any corner of the globe and totally unavailable to help with child care. More grandparents are likely to be employed: the ranks of working seniors rose from 255,000 in 1996 to 305,000 in 2001. At the same time, the massive entry of women into the workforce through the second half of the last century means that more grandmothers, usually younger than their spouse, are still in paid employment, and short on time to baby-sit and bake cookies. (Bulletin of the Advisory Council on Aging, September, 2005)

No jurisdiction in Canada provides any regular monitor of unregulated caregivers, and there is no assurance of basic health, safety, nutrition standards or quality of learning environment for the majority of Canadian children during what may be the majority of their waking hours during the most important developmental period of their lives.

It is perfectly possible to devise a system that will produce more children and still keep women at work, though it may not come cheap. The principle of free education for school age children is already entrenched throughout the rich world; there would be nothing incongruous about extending it further down the age range. (The) Nordic countries (provide) widely available and good quality child care together with generous maternity and parental leave arrangements..... (The Economist, Special Section, July 18, 1998. A survey of women and work, page 16)